

Atlanta Wild Animal Rescue Effort, Inc.

Audited Financial Statements

*Years ended December 31, 2015 and 2014  
with Report of Independent Auditors*

Atlanta Wild Animal Rescue Effort, Inc.

Audited Financial Statements

Years ended December 31, 2015 and 2014

Contents

Report of Independent Auditors.....	1
Audited Financial Statements	
Statement of Financial Position .....	2
Statement of Activities.....	3
Statement of Functional Expenses.....	4-5
Statement of Cash Flows.....	6
Notes to Financial Statements.....	7-9

## Report of Independent Auditors

Board of Directors  
Atlanta Wild Animal Rescue Effort, Inc.  
Lithonia, Georgia

We have audited the accompanying financial statements of Atlanta Wild Animal Rescue Effort, Inc. ("AWARE"), which comprise the statements of financial position as of December 31, 2015 and 2014 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Atlanta Wild Animal Rescue Effort, Inc. as of December 31, 2015 and 2014 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Atlanta, Georgia  
August 12, 2016

Atlanta Wild Animal Rescue Effort, Inc.

Statement of Financial Position

As of December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 122,978	\$ 105,135
Temporarily restricted cash and cash equivalents	5,784	5,784
Accounts receivable	635	374
Fixed assets	11,555	920
Prepaid expenses	5,465	4,267
Other assets	<u>636</u>	<u>-</u>
Total assets	<u>\$ 147,053</u>	<u>\$ 116,480</u>
<b>Liabilities and net assets</b>		
<i>Liabilities:</i>		
Accounts payable and accrued expenses	\$ 6,227	\$ 3,014
Accrued payroll and related liabilities	<u>2,240</u>	<u>2,799</u>
Total liabilities	8,467	5,813
<i>Net assets:</i>		
Unrestricted net assets	132,802	104,883
Temporarily restricted net assets	<u>5,784</u>	<u>5,784</u>
Total net assets	<u>138,586</u>	<u>110,667</u>
Total liabilities and net assets	<u>\$ 147,053</u>	<u>\$ 116,480</u>

See accompanying notes to the financial statements.

Atlanta Wild Animal Rescue Effort, Inc.

Statements of Activities

Years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Support and revenue</b>		
Contributions	\$ 159,970	\$ 140,166
Product sales	13,455	10,010
Program revenue, festivals and special events	38,395	25,441
In-kind support	23,372	38,196
Other revenue	7,333	1,833
Net assets released from restriction	<u>-</u>	<u>3,469</u>
Total support and revenue	242,525	219,115
<b>Expenses</b>		
Program services	160,534	128,023
Management and general	22,077	14,433
Fundraising	<u>31,995</u>	<u>44,272</u>
Total expenses	<u>214,606</u>	<u>186,728</u>
Change in unrestricted net assets	27,919	32,387
<b>Changes in temporarily restricted net assets</b>		
Contributions	-	9,253
Net assets released from restriction	<u>-</u>	<u>(3,469)</u>
Change in temporarily restricted net assets	<u>-</u>	<u>5,784</u>
Change in total net assets	27,919	38,171
Net assets, beginning of year	<u>110,667</u>	<u>72,496</u>
Net assets, end of year	<u>\$ 138,586</u>	<u>\$ 110,667</u>

See accompanying notes to the financial statements.

Atlanta Wild Animal Rescue Effort, Inc.

Statement of Functional Expenses

Year ended December 31, 2015

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Animal care	\$ 57,587	\$ -	\$ -	\$ 57,587
Salaries	64,098	6,615	-	70,713
In kind donations	226	9,000	14,143	23,369
Facility expense	13,216	-	-	13,216
Payroll taxes	6,641	-	-	6,641
Office expenses	4,581	604	4,339	9,524
Travel	447	-	-	447
Professional services	1,785	2,279	-	4,064
Insurance	3,862	2,323	-	6,185
Information technology	1,648	1,203	-	2,851
Staff expenses	2,391	-	-	2,391
Volunteer expenses	1,412	-	-	1,412
Depreciation	424	-	-	424
Other expenses	6	-	-	6
Fundraising event expenses	-	-	6,937	6,937
Cost of goods sold	-	-	6,557	6,557
Sale taxes	-	8	-	8
Organizational expenses	598	-	-	598
Gift shop expenses	-	-	19	19
Program and event expenses	1,612	-	-	1,612
Penalties/fines	-	45	-	45
Total expenses	<u>\$ 160,534</u>	<u>\$ 22,077</u>	<u>\$ 31,995</u>	<u>\$ 214,606</u>

See accompanying notes to the financial statements.

Atlanta Wild Animal Rescue Effort, Inc.

Statement of Functional Expenses

Year ended December 31, 2014

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Animal care	\$ 53,370	\$ -	\$ -	\$ 53,370
Salaries	44,311	6,400	-	50,711
In-kind contributions	9,000	-	29,196	38,196
Facility expenses	5,655	-	-	5,655
Payroll taxes	5,651	803	-	6,454
Office expenses	1,967	526	8,718	11,211
Travel	1,915	-	-	1,915
Professional services	1,750	1,785	-	3,535
Insurance	1,484	2,552	-	4,036
Information technology	1,340	498	58	1,896
Staff expenses	925	1,500	-	2,425
Volunteer expenses	358	-	-	358
Depreciation	240	-	-	240
Other expenses	57	5	5	67
Marketing	-	-	104	104
Event expenses	-	-	1,012	1,012
Cost of goods sold	-	-	4,325	4,325
Sale taxes	-	-	647	647
Organizational expenses	-	364	207	571
Total expenses	<u>\$ 128,023</u>	<u>\$ 14,433</u>	<u>\$ 44,272</u>	<u>\$ 186,728</u>

See accompanying notes to the financial statements.

Atlanta Wild Animal Rescue Effort, Inc.

Statements of Cash Flows

Years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Cash flow from operating activities</b>		
Change in net assets	\$ 27,919	\$ 38,171
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	424	240
Changes in operating assets and liabilities:		
Accounts receivable	(260)	(374)
Prepaid expenses	(1,198)	(408)
Accounts payable and accrued expenses	2,570	(4,794)
Accrued payroll and related liabilities	<u>(553)</u>	<u>458</u>
Net cash provided by operating activities	28,902	33,293
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	<u>(11,059)</u>	<u>-</u>
Net cash used in investing activities	<u>(11,059)</u>	<u>-</u>
Net change in cash and cash equivalents	17,843	33,293
Cash and cash equivalents, beginning of year	<u>110,919</u>	<u>77,626</u>
Cash and cash equivalents, end of year	<u><u>\$ 128,762</u></u>	<u><u>\$ 110,919</u></u>

*See accompanying notes to the financial statements.*



# Atlanta Wild Animal Rescue Effort, Inc.

## Notes to Financial Statements

Years ended December 31, 2015 and 2014

### **Note A - Organization and Summary of Significant Accounting Policies**

#### *Organization*

Atlanta Wild Animal Rescue Effort ("AWARE") is a federally recognized 501(c)(3) not-for-profit organization preserving Georgia's native wildlife through rehabilitation and education. AWARE was founded in 1999, the current center was established at Arabia Mountain in DeKalb County during 2004. AWARE began accepting animals for rehabilitation at this location in 2006.

AWARE is open 365 days per year and accepts all species of native wildlife. AWARE's mission is to rehabilitate the animals, while ensuring they remain wild and instinctively fearful of humans in hopes that they will be able to release the rehabilitated animals into their normal habitats. AWARE also offers a variety of educational programs that are aimed at teaching peaceful coexistence of humans and wildlife. Employees and volunteers host events, offer on-site tours, and answer local 911 and Animal Control service calls. AWARE's daily operations are funded primarily from contributions from individuals, corporations, and foundations; the organization also generates revenue from sponsored programs, store merchandise, and raptor rig product sales.

#### *Basis of Presentation*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") promulgated by the Financial Accounting Standards Board Accounting Standards Codification ("ASC" or "the guidance"). Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

#### *Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### *Support and Revenue*

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted revenue, depending on the existence and/or nature of any donor restrictions. Temporarily restricted net assets become unrestricted when the time restrictions expire or when the contributions are used for their restricted purpose, at which time they are reported in the statement of activities as net assets released from restrictions.

Atlanta Wild Animal Rescue Effort, Inc.

Notes to Financial Statements (Continued)

**Note A - Organization and Summary of Significant Accounting Policies (Continued)**

*Support and Revenue (Continued)*

Permanently restricted net assets represent resources subject to donor-imposed stipulations that AWARE maintain the principal in perpetuity, and use of related income earned on related investments for either general or donor-specified purposes. AWARE did not maintain permanently restricted net assets as of December 31, 2015 or 2014.

Program revenue, festivals and special event revenue are recognized when earned.

*Cash and Cash Equivalents*

AWARE considers all cash, money market fund investments, and highly liquid short-term investments with an original maturity of three months or less to be cash equivalents. The Federal Deposit Insurance Corporation (FDIC) insures amounts on deposit with each financial institution up to limits as prescribed by law. AWARE does not hold funds that are in excess of FDIC coverage, therefore there is no significant credit risk exposure.

*Property and Equipment*

Property and equipment is carried at cost and is depreciated using the straight-line method over the estimated useful lives of the related assets ranging from three to seven years. AWARE capitalizes purchases of property and equipment greater than \$1,000. Depreciation expense for the years ended December 31, 2015 and 2014 was \$424 and \$240, respectively.

*In-kind Support*

Donated services and materials are reported as contribution revenue and as assets or expenses only if the services and materials create or enhance a nonfinancial asset, require specialized skills and are provided by individuals possessing those skills, are measurable, and would have been purchased if they had not been contributed. Donated services and materials are measured at their fair value.

*Functional Allocation of Expenses*

AWARE reports the costs of providing its various programs and other activities on a functional basis. Accordingly, AWARE allocates certain costs among the program, management and general and fundraising categories based upon the estimated percentage of benefit to each category.

*Income Taxes*

AWARE is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Management has concluded that AWARE has properly maintained its exempt status and does not have any uncertain tax positions as of December 31, 2015 or 2014.

Atlanta Wild Animal Rescue Effort, Inc.

Notes to Financial Statements (Continued)

**Note A - Organization and Summary of Significant Accounting Policies (Continued)**

*Subsequent Events*

AWARE has performed an evaluation of subsequent events through August 12, 2016, which is the date the financial statements were available to be issued, and has considered any relevant matters in the preparation of the financial statements and footnotes.

**Note B - In-Kind Contributions**

AWARE records in-kind support for the fair value of the rental space donated by DeKalb County, and for the fair value of art items that were donated for auction. Balances for these items are included in the statements of activities for the years ended December 31, 2015 and 2014. AWARE also receives in-kind support of medication and food for the animals, building supplies, cages, and other items for which the fair value is not readily available. Management believes that the total value of this in-kind support, which is not included in the financial statements is not material to the overall financial statements, as of and for the years ended December 31, 2015 and 2014.

**Note C - Operating Lease**

AWARE occupies office space and land, at Arabia Mountain, in connection with its operations that is provided by DeKalb County as in-kind support. DeKalb County has agreed to provide space to AWARE through 2019. The estimated fair value of the land and office was \$9,000 for the years ended December 31, 2015 and 2014 and has been reflected in the statements of activities as in-kind support and expense.

**Note D - Related Party Transactions**

Certain members of AWARE have made contributions to support the general operations. Total contributions approximated \$10,000 of AWARE's total support and revenue in 2015 and 2014.

**Note E - Restricted Net Assets**

All amounts included in temporarily restricted net assets as of December 31, 2015 and 2014 relate to the Global Giving Fund and are restricted for the purpose of funding animal rehabilitation.